

TO: State Directors
Rural Development

FROM: Arthur A. Garcia (Signed by David J. Villano) for
Administrator
Rural Housing Service

ATTN: Multi-Family Program Managers/Coordinators and AMAS
Coordinators

SUBJECT: Request for Fiscal Year (FY) 2004 Rental Assistance (RA) Data for Renewal Needs for
Multi-Family Housing

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to obtain verified data concerning the need for renewal RA during FY 2004. This data will be used to allocate renewal RA and must be accurate.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 3789(1930-C) dated September 24, 2002, which expired September 30, 2003.

IMPLEMENTATION RESPONSIBILITIES:

I. Each State AMAS Coordinator will receive (under separate cover) a copy of the RC-823, "Unliquidated Rental Assistance Obligations Estimated Fund Depletion Report." This report should be immediately forwarded to your servicing offices for review and compilation of expiring RA agreements that need to be renewed during the time period of January 1 through December 31, 2004. The servicing offices should complete Attachment A of this AN and return it, along with a copy of the verified RC-823 report, to the State Office for review and compilation.

EXPIRATION DATE: September 30, 2004

FILING INSTRUCTIONS:
Preceding RD
Instruction 1930-C

Each AMAS Coordinator should collect Attachment A, “FY 2004 RA Renewal Needs For Servicing Office Number _____,” and review, verify, and summarize the data provided by the servicing offices on Attachment B, “FY 2004 RA Renewal Needs for the State of _____.”

A. To help identify renewal RA needs, the following steps should be followed:

1. The servicing office should use the RC-823C report and verify project-by-project RA renewal needs for only those projects with RA agreements that will run out of funds during the time period of January 1 through December 31, 2004.
2. Pencil in any additional projects that are not listed on the report, but need to be renewed during the January 1 through December 31, 2004, time period. Projects currently scheduled to expire between January 1, 2005, and March 31, 2005, need to be evaluated to determine if RA is being used at a rate that would cause the agreement to need renewal during FY 2004. It has been our experience that such cases have been the most frequent cause of emergency RA requests. Also, States with projects that have multiple RA agreements should prorate the projects’ monthly RA in order to consolidate the agreements.
3. The servicing office should identify the quarter in which the project’s RA will be exhausted. When examining RA agreement usage to determine which quarter the RA will run out, utilize the average of the last 3 months’ RA usage. The last 3 months’ average will provide the most accurate indicator of usage by taking into account recent rent increases and usage by current tenants.
4. To assist you in determining the correct number of needed RA units, you may wish to review additional sources for verifying renewal needs, such as your RA tracking records, RC-620 Report, “Rental Assistance Management Report,” FOCUS Report AM10, “RA Units Used/Not Used Report” or FOCUS Report, “RAEXPIRE”. (See Attachment C for instructions regarding using FOCUS Report, “RAEXPIRE ”).
5. Refer to the AMAS Manual, Chapter 9, “RA Management,” for additional information.

B. DO NOT INCLUDE EXPIRING RA OBLIGATIONS THAT HAVE ALREADY BEEN RENEWED WITH A RENEWAL OBLIGATION. The AMAS Coordinator should ensure and confirm that RA obligations that were renewed, but still appear on the report because of an unliquidated balance on the expiring contract, are deleted from Attachment A and are not “double counted.” Since the RC-823 report was run as of June 30, 2003, RA agreements that have been renewed since June 30, 2003, must be crossed out.

Note that replacement RA is not to be renewed earlier than 90 days prior to the projected exhaustion of funds under the agreement. Example: An RA agreement that will exhaust funding during the January 1 to March 31 quarter should not be obligated prior to October of the preceding year.

C. USE ALL REMAINING FUNDS UNDER THE EXPIRING AGREEMENT PRIOR TO ACCESSING THE RENEWAL AGREEMENT. Use the M1BI, “Inquire on Rental Assistance Obligations,” AMAS screen to monitor that RA agreement balances are completely liquidated prior to using renewal agreements.

D. AMAS Coordinators should ensure that all servicing offices receive this AN and a copy of the RC-823 report discussed above.

II. Along with the RC-823 “Unliquidated Rental Assistance Obligations Estimated Fund Depletion Report” are Parts D & E entitled, “RA Agreements Inactive for 3 Months or More.” In order for the National Office to determine that RA is being properly utilized, it will be necessary for you to respond regarding the status of each of the obligations shown outstanding on the RC-823 D & E report. Please review and make notations on the report as to which of the following conditions exist.

A. If the contract was for new construction units, indicate when you anticipate the project to be operational.

B. If the contract was for replacement units, indicate when you anticipate the old contract expiring.

C. If the contract was not liquidated prior to using a replacement contract, indicate the course of action to resolve the problem.

State Directors should submit a copy of the verified RC-823 report, Attachment A, and Attachment B to the Multi-Family Housing Portfolio Management (MFHPM) Division, Mail Stop 0782, no later than October 3, 2003. If you have any questions, please contact Janet Stouder at (202) 720-9728.

Attachments

FY 2004 RA RENEWAL NEEDS FOR
SERVICING OFFICE NUMBER _____

TYPE	UNITS EXPIRING Jan.-Mar.	UNITS EXPIRING Apr.-June	UNITS EXPIRING July-Sept.	UNITS EXPIRING Oct.-Dec.	TOTAL
REPLACEMENT:					
Family (B)	_____	_____	_____	_____	_____
Elderly (H)	_____	_____	_____	_____	_____
LH (P)	_____	_____	_____	_____	_____

FY 2004 RA RENEWAL NEEDS FOR THE
STATE OF _____

TYPE	UNITS EXPIRING Jan.-Mar.	UNITS EXPIRING Apr.-June	UNITS EXPIRING July-Sept.	UNITS EXPIRING Oct.-Dec.	TOTAL
REPLACEMENT:					
Family (B)	_____	_____	_____	_____	_____
Elderly (H)	_____	_____	_____	_____	_____
LH (P)	_____	_____	_____	_____	_____

Note: Attachment B and RC-823 B/C/D/E for each Area Office must be returned to the National Office, Attn: Janet Stouder by **October 3, 2003**.

RA Report

RA UNITS EXPIRING

ST	AREA	CTY	IDNBR	PRJ	BOR	NAME	RENT	CDE	RA	AGRMT	UNIT	MOS	RA	UNITS
---	----	---	-----	---	----	-----	----	-----	----	-----	-----	---	----	-----
45	601	004	0050382405	0038	VILLAGE ASSOCIATES	EL	950100	K				9		2
			0050388521	0013	GLOCESTER HOUSING	EL	810102	1				19		19
							870103	3				12		14
							960100	K				14		2
		006	0222537948	0033	PEACE DALE UNITED	EL	990100	H				15		30
												14	67	
												14	67	
TOTAL												14	67	

THIS REPORT MAY INCLUDE BORROWERS WHO HAVE HAD UNITS ALREADY REPLACED

TO COPY THE FILE

From the FOCUS Main Menu: Hit F3

At the prompt, type: tso copy 'afn229.focexec.data(raexpire)' 'afsYYY.focexec.data(raexpire)'

YYY = your id number

To check that the report has been copied. Type "dir" at the prompt.

TO EXECUTE THE REPORT:

From the FOCUS Main Menu: Hit F3

At the prompt, type:

> exec raexpire

Then the system will ask for the following information:

PLEASE SUPPLY VALUES REQUESTED

STATE_CODE= > 45	(Enter your state code)	
BEGTERM= > 5	(Enter the number of months from current month requesting to see the beginning list of units will be expiring) – then hit “enter” key	If current date is Sept. 2003, want to see everything expiring beginning January 2004. (Five months – Sept., Oct., Nov., Dec. & Jan.)
ENDTERM= > 16	(Enter the number of months from current month requesting to see the ending list of units will be expiring) - then hit “enter” key	If current date is Sept. 2003, want to see everything expiring ending December 2004. (Sixteen months – Count Sept. 2003 through Dec. 2004.)

> NUMBER OF RECORDS IN TABLE= 349 LINES= 31
(BEFORE TOTAL TESTS)

PAUSE.. PLEASE ISSUE CARRIAGE RETURN WHEN READY